



HR1009

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HOUSE RESOLUTION

2 WHEREAS, FutureGen is the first of its kind coal-fueled
3 power plant that will link state of the art technologies to
4 produce electricity and hydrogen with near-zero emissions; the
5 project will take a significant step in strengthening the
6 United States' ability to produce reliable energy, improve the
7 environment, and reduce our dependence on foreign oil; this
8 effort will serve as a prototype for the next generation of
9 power plants throughout the country and the world; and

10 WHEREAS, FutureGen represents an important and
11 revolutionary scientific breakthrough; for the first time, the
12 power of coal can be harnessed without releasing harmful
13 emissions into the environment; and

14 WHEREAS, FutureGen will help ensure the long-term
15 viability and affordability of coal as a major energy source
16 for the United States; the project will represent a significant
17 step in the United States' efforts to become a self-sufficient
18 energy producer, further reducing our dependence on foreign
19 oil; and

20 WHEREAS, FutureGen will serve as a research laboratory for
21 discovering and refining clean coal technology, hydrogen
22 production, and carbon sequestration; as new technology is

1 discovered and evolves, it will be incorporated into the design
2 and operation of the plant; FutureGen will foster innovations
3 that will affect the energy industry for years to come; and

4 WHEREAS, The FutureGen Alliance is a consortium of the
5 world's largest coal producers and energy generators; they
6 bring valuable technical and industrial project management
7 expertise to the project; the Alliance is a not-for-profit
8 organization; as a result, none of the members of the Alliance
9 will claim any direct financial benefit from their
10 contributions; the Alliance will own the power plant and sell
11 the electricity, hydrogen, and other useful byproducts; and

12 WHEREAS, Illinois has the ideal geological conditions
13 necessary for the storage of carbon dioxide, enhanced oil
14 recovery, and coal bed methane extraction; and

15 WHEREAS, Illinois is a global research and technology
16 center, boasting top-tier research institutions and
17 universities, as well as one of the largest state-sponsored
18 coal research and development programs in the United States;
19 the program is administered by the Office of Coal Development
20 and is under the technical oversight of the Illinois Clean Coal
21 Institute; and

22 WHEREAS, Illinois is home to one of the nation's largest

1 supplies of high-energy bituminous coal; recoverable reserves
2 in Illinois represent almost one-eighth of the total U.S. coal
3 reserves and one-quarter of the nation's bituminous coal
4 reserves; and

5 WHEREAS, Centered in the middle of the Midwest, Illinois is
6 a significant interchange point among railroads serving either
7 eastern or western states, with Chicago and East St. Louis
8 being principal rail gateways; with 7,292 miles of rail
9 network, Illinois is the center of the nation's rail system;
10 and

11 WHEREAS, Communities throughout this State have been
12 supporting the coal industry for more than 100 years; with
13 broad support from the people of Mattoon and Tuscola, the
14 Illinois Congressional Delegation, the Illinois General
15 Assembly, and the states of Indiana and Kentucky, Illinois
16 provides the kind of broad community support that is necessary
17 for the project to be successful; leadership in the business,
18 labor, environmental, and civic communities are united and
19 working hard to bring FutureGen to Illinois; and

20 WHEREAS, The General Assembly offered numerous financial
21 incentives for FutureGen in Illinois, including:

22 (1) a \$17 million direct cash grant from clean-coal
23 technology fund;

- 1 (2) up to \$50 million in reduced-interest loans;
- 2 (2) sales tax exemptions and business tax credits;
- 3 (3) public improvement funding; and
- 4 (4) reimbursement for employee training costs; and

5 WHEREAS, The \$1 billion project is a government-industry
6 partnership between the U.S. Department of Energy and the
7 FutureGen Alliance, a consortium of the world's largest coal
8 and energy producers; and

9 WHEREAS, FutureGen will greatly benefit industries
10 involved in mining, transportation, and the use of coal; these
11 are industries that currently employ thousands of people across
12 the State; FutureGen will also create jobs; the U.S. Department
13 of Energy estimated that FutureGen would create approximately
14 1,300 construction jobs and 150 permanent jobs; and

15 WHEREAS, During the four-year construction period, there
16 would be more than \$1 billion in economic impact statewide;
17 approximately 1,225 indirect spin-off jobs will be created as a
18 result of the ripple effect generated by FutureGen; and

19 WHEREAS, The U.S. Department of Energy announced plans to
20 build FutureGen in 2003; in July 2006, the FutureGen Alliance
21 announced the 2 finalists for the facility in Illinois: Mattoon
22 and Tuscola; the FutureGen plant will be a medium-sized,

1 coal-fueled plant, generating approximately 275 megawatts of
2 electricity, enough to supply approximately 150,000 U.S.
3 households; and

4 WHEREAS, Mattoon and Tuscola are located in east central
5 Illinois and are equidistant from Chicago, St. Louis, and
6 Indianapolis; with nearby roads, railways, rivers, and
7 airports, the region boasts the most advanced multi-modal
8 transportation network in the United States; Mattoon and
9 Tuscola are also in close proximity to oil refineries and
10 hydrogen customers who can share in the success of FutureGen;
11 and

12 WHEREAS, The region also contains two major state
13 universities that lead in the fields of geology; these include
14 the University of Illinois at Urbana-Champaign, home of the
15 Illinois State Geological Survey, and Southern Illinois
16 University's Coal Research Center, which focuses on clean-coal
17 research; and

18 WHEREAS, Mattoon and Tuscola sit above vast coal reserves;
19 the coal reserves beneath Illinois contain more energy than the
20 oil reserves of Saudi Arabia and Kuwait combined; and

21 WHEREAS, In September of 2005, several large U.S. electric
22 utilities and coal producers, including Peabody Energy of St.

1 Louis, announced the formation of the consortium that will
2 develop FutureGen using federal and private dollars; and

3 WHEREAS, In December of 2005, the Alliance, under a new
4 CEO, signed a cooperative agreement with the U.S. Department of
5 Energy; the Alliance would agree to pay 26% of the cost; and

6 WHEREAS, In March of 2006, the Alliance, through its
7 technical consultant, issued a detailed Request for Proposals
8 from states interested in hosting FutureGen; twelve locations
9 from seven states, including four from Illinois, submitted
10 bids; and

11 WHEREAS, In May of 2006, the General Assembly re-earmarked
12 \$17 million in Coal Bond Funds from inactive clean coal project
13 to FutureGen as part of State's preliminary offer; and

14 WHEREAS, In July of 2006, the Alliance picked the Illinois
15 sites at Tuscola and Mattoon for FutureGen; key reasons for
16 these 2 sites were water resources, support from the community
17 and State political leadership, and suitability for carbon
18 dioxide storage in the Mt. Simon Sandstone, a mile below the
19 surface; and

20 WHEREAS, In August of 2006, the U.S. Department of Energy
21 and the Alliance launched an aggressive schedule for completing

1 an Environmental Impact Statement within 12 months; hearings in
2 Congress raised concerns about costs escalating, due primarily
3 to inflation in construction materials, to \$1.5 million; the
4 total amount was \$1.8 million, which included the estimate coal
5 fuel costs for a 4-year test period; and

6 WHEREAS, Between May of 2007 and June of 2007, the drafted
7 Environmental Impact Statement was published by the U.S.
8 Department of Energy, after a month's delay awaiting federal
9 agency approval, with none of the sites disqualified; the U.S.
10 Department of Energy held formal public hearings on the
11 Environmental Impact Statement on June 26, 2007 in Mattoon and
12 June 28, 2007 in Tuscola, with community supporters turning out
13 in large numbers; and

14 WHEREAS, Between June of 2007 and July of 2007, the
15 Illinois General Assembly gives overwhelming support to Senate
16 Bill 1704; this bill created the Clean Coal FutureGen for
17 Illinois Act for the purpose of providing the FutureGen
18 Alliance with adequate liability protection, land use rights,
19 and permitting certainty to facilitate the FutureGen Project in
20 Illinois; the bill was signed into law on July 30, 2007; and

21 WHEREAS, In August of 2007, Illinois submitted a detailed
22 Best and Final Offer for both sites, including public and
23 private incentives, which included direct grants, cost

1 offsets, and tax exemptions; the total amount was valued at \$90
2 million; and

3 WHEREAS, In September of 2007, an Illinois team met with
4 the Alliance in Edwardsville to defend and clarify final offer
5 issues; the U.S. Department of Energy still had not decided on
6 the location for the plant; and

7 WHEREAS, Between October of 2007 and November of 2007,
8 letters supporting the State's bid from all major coal
9 producing states, representing 75% of the nation's tonnage,
10 were forwarded to the U.S. Department of Energy; and

11 WHEREAS, On November 17, 2007, the U.S. Department of
12 Energy published a final Environmental Impact Statement; this
13 started the 30-day clock for a formal decision to be made
14 regarding the location of the plant; and

15 WHEREAS, On December 4, 2007, the Alliance Board of
16 Directors, meeting in Washington D.C., made a final site
17 selection decision, but it was kept confidential; the U.S.
18 Department of Energy issued a letter at that time urging the
19 Alliance to delay announcing the final site; and

20 WHEREAS, On December 18, 2007, at a news conference in
21 Washington D.C., the Alliance announced Mattoon was the

1 unanimous choice to host FutureGen; the U.S. Department of
2 Energy issued a statement that it plans to re-scope the
3 FutureGen project after more than \$40 million has already been
4 spent; and

5 WHEREAS, On January 10, 2008, by letter, the Alliance made
6 a counteroffer to take on a larger share of future cost
7 escalation and, through negotiations over the assets of the
8 project, repay the U.S. Department of Energy; and

9 WHEREAS, On January 16, 2008, it was disclosed that the
10 U.S. Department of Energy will abandon FutureGen in favor of
11 re-allocating the funds through a new solicitation of interest
12 to assist with multiple power plant projects; and

13 WHEREAS, On January 29, 2008, it was disclosed to members
14 of Illinois delegation that FutureGen will be cancelled and a
15 new FutureGen Program will take its place; the U.S. Department
16 of Energy disclosed that its new idea was to pay 100% of the
17 carbon dioxide capture and storage costs, but it would fund
18 nothing for the power side of several gasification facilities
19 being planned by private firms; this new proposal further
20 delays important technology advances on carbon dioxide capture
21 by at least five years and largely ignores the participation by
22 international members of the Alliance; and

1 WHEREAS, The Alliance, which has a contract with the U.S.
2 Department of Energy extending through June, 15, 2008,
3 continues to hold its regular monthly meeting in Mattoon; and

4 WHEREAS, The Alliance has pledged to continue its move
5 ahead with private funds; therefore, be it

6 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
7 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
8 urge the U.S. Congress and the U.S. Department of Energy to
9 make any changes necessary to reverse the decision that
10 resulted in the dismantling and abandonment of FutureGen; and
11 be it further

12 RESOLVED, That the commitment is kept for all the
13 researchers, private-sector supporters, and public officials
14 and, most importantly, the people of Central Illinois who have
15 worked to bring this landmark project to fruition; and be it
16 further

17 RESOLVED, That suitable copies of this resolution be
18 delivered to the Majority Leader of the U.S. Senate, the
19 Speaker of the U.S. House of Representatives, the members of
20 the Illinois Congressional delegation, and the Secretary of the
21 U.S. Department of Energy.